

June 5, 2024

Ms. Liane M. Randolph Chair California Air Resources Board 1001 I Street Sacramento, CA 95814

Dear Ms. Randolph:

On behalf of the Exhibitions & Conferences Alliance (ECA), a coalition of leading professional, trade, and labor organizations from across the business events industry, I write to express ECA's ongoing concern with Section 3007(b) of the California Air Resources Board's (CARB) proposed Zero-Emission Forklift (ZEF) Regulation, as modified on May 21, 2024.

Specifically, while Proposed Regulatory Modification 97 on page 19 of the *Notice of Public Availability of Modified Text and Availability of Additional Documents and Information* amends Section 3007(b)(3)(A)1.a. to include four scenarios that qualify for an Infrastructure Construction Delay Extension, regrettably none of these are applicable to the forklift use case of the business events industry, which includes exhibitions, conferences, trade shows, and other time-limited business events.

As previously shared with CARB staff, all large California convention centers are quasi-governmental entities or political subdivisions of state or local government. Business event organizers and exhibitors operate as short-term lessees and sub-lessees of space in these publicly owned facilities, usually only for a few days. As such, the general service contractors, exhibitor appointed contractors, experiential designers and producers, and other industry service providers they hire are contractually bound by the terms of the lease and operational restrictions and limitations as set forth by these governmental entities.

While Section 3007(b)(3)(A)1.a. identifies "a construction delay beyond the Fleet Operator's control" to include "delays due to landlord-tenant issues regarding the installation of charging or fueling infrastructure," ECA does not believe this language is specific enough for our industry's operations. If a publicly owned convention center does not have the CARB-required ZEF-related charging, fueling, or short-term storage infrastructure and/or the operation of ZEFs is contractually restricted or not practicable due to the facility's ZEF infrastructure limitations, business events industry Fleet Operators cannot comply with the proposed CARB ZEF Regulation within that facility, whether the Fleet Operators' forklift fleets are owned or rented.

Within this context, ECA proposes further amending Section 3007(b)(3)(A)1.a. with a fifth scenario that recognizes this important concern. Specifically, ECA respectfully suggests the amended language below (with new text <u>underlined in red</u>).

a. A construction delay is anticipated as a result of any of the following circumstances beyond the Fleet Operator's control: change of a general contractor; delay in manufacture and shipment of zero-emission charging or fueling infrastructure equipment; delay in the delivery of necessary building materials; delays obtaining power from a utility; delays in construction of ZEF-related storage or shelter; delays due to unexpected safety issues on the project; delays obtaining permits; delays due to landlord-tenant issues regarding the installation of charging or fueling infrastructure; <u>contractual or operational limitations set forth by quasi-governmental entities or political subdivisions of state or local government</u>; discovery of archeological, historical, or tribal

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cultural resources described in the California Environmental Quality Act, Public Resources Code Division 13, Section 21000 et. seq.; or natural disasters.

With California state and local governments facing unprecedented budget shortfalls, which are likely to persist in the coming years, ECA believes that this language will increase the workability of the proposed ZEF Regulation by ensuring that exhibitions, conferences, and trade shows will continue to be welcome at convention centers in the Golden State regardless of the near-term infrastructure investment decisions and fiscal tradeoffs made by local policymakers.

The global business events industry remains committed to achieving net zero carbon emissions by 2050, as affirmed by the more than 600 organizations, many of whom have significant operations in California, who have signed the <u>Net Zero Carbon Pledge for the Events Industry</u> pledge since its launch as part of the 2021 United Nations Climate Change Conference.

ECA's suggested further amendment to Section 3007(b)(3)(A)1.a. of CARB's proposed ZEF Regulation will allow the business events industry, which employs 335,567 Californians and will generate \$50.872 billion in direct spending statewide this year, to continue driving economic growth, supporting job creation, and empowering small businesses in California while continuing along our path to net zero emissions.

If ECA can provide you with additional information or answer any follow-up questions, please contact me by phone at (703) 672-0780 or via email at tommy.goodwin@exhibitionsconferencesalliance.org. Thank you very much for your thoughtful consideration.

Sincerely,

Thomas F. (Tommy) Goodwin, FASAE, CAE, PMP, CMP Vice President